

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.

Debtors.¹

PROMESA
Title III

RECEIVED AND FILED

CLERK'S OFFICE USDC PR

Case No. 17 BK 3283-LTS
(Jointly Administered)

2023 JUN 7 PM 1:19

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Debtor.

PROMESA
Title III

Case No. 17 BK 4780-LTS

**OBJECTION TO THE CONFIRMATION OF THE PUERTO RICO ELECTRIC
POWER AUTHORITY'S PLAN OF ADJUSTMENT**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

TO THE HONORABLE DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO:

COMES NOW IGLESIA PRESBITERIANA WESTMINSTER INC as party in interest pursuant to 11 U.S.C. § 1109, on their own behalf, and respectfully requests that the Court deny the confirmation of the *MODIFIED SECOND AMENDED TITLE III PLAN OF ADJUSTMENT OF THE PUERTO RICO ELECTRIC POWER AUTHORITY*, ECF No. 3296 (THIS TITLE AND THE ECF No. CAN CHANGE IF THE OVERSIGHT BOARD FILES AN AMENDED PLAN OF ADJUSTMENT).

PRELIMINARY STATEMENT

1. The appearing party is a party in interest in the Puerto Rico Electric Power Authority's ("PREPA") Title III Bankruptcy. **See 11 U.S.C. § 1109(b).**
2. Presbyterian Church is a Protestant Christian denomination that traces its origins back to Scotland in the 16th century. It is part of the Reformed tradition and is characterized by a governance model based on the leadership of elected elders, who work together in regional and national governing bodies called presbyteries and synods.

In terms of beliefs, Presbyterians affirm the central teachings of Christianity, including the belief in one God who exists in three persons (Father, Son, and Holy Spirit), the divinity and humanity of Jesus Christ, the authority of the Bible as the inspired and authoritative word of God, and the necessity of salvation through faith in Jesus Christ.

Presbyterians also emphasize the importance of education, theological inquiry, and active discipleship, encouraging their members to engage deeply with the Bible and their communities. Worship services in Presbyterian churches typically involve scripture readings, prayer, singing of hymns, and a sermon.

Overall, Presbyterian churches are known for their emphasis on democratic participation, theological depth, and commitment to social justice. They also have a strong tradition of mission work, both domestically and internationally, as they seek to live out their faith in tangible ways by serving those in need.

3. The question of who is a “party in interest” should be answered on a case-by-case basis. The definition is non-exhaustive. It generally refers to anyone with a financial stake or significant legal or practical stake in the outcome of bankruptcy. See, for example, Savage & Assocs. P.C. v. K&L Gates LLP (In re Teligent, Inc.), 640 F.3d 53 (2d Cir. 2011). That should mean anyone who will be significantly impacted.
4. The high cost of energy can significantly impact a church, especially in a place where energy costs are high. Here are some of ways that an increase in energy costs can affect a church:
 - a. Higher utility bills: The most obvious effect of an increase in energy cost is that a church will see an increase in their utility bills. This can be a significant financial burden, especially for smaller churches that might already be struggling to make ends meet.
 - b. Budget constraints: Higher utility bills can also lead to budget constraints for a church. This might force churches to reallocate funds away from other areas, such as mission work or community outreach, in order to cover their energy costs.
 - c. Maintenance costs: High energy costs can also impact a church's maintenance costs. For example, if a church is using an older heating or cooling system, it might require more repairs or replacement parts as energy costs increase.

d. Environmental impact: In addition to the financial cost, an increase in energy usage can also have an environmental impact. Churches, which are often leaders in promoting environmental stewardship, might have to make difficult choices about energy usage and conservation in order to balance their budget.

e. Impact on congregants: Finally, an increase in energy costs can also impact the congregants of a church. For example, if the church is unable to maintain comfortable temperatures in the building, it might be more difficult for congregants to worship and participate in activities throughout the year.

Overall, the increase in energy cost can have significant and far-reaching effects on a church, from financial and budgetary concerns to environmental and social justice considerations.

5. Therefore, the undersigned is a party in interest that “may raise and may appear and be heard on any issue in a case under this chapter.” 11 U.S.C. § 1109(b).

PROCEDURAL BACKGROUND

6. For over a decade, Puerto Rico’s economy has been in trouble and, by 2016, its massive debt became unsustainable. On June 30, 2016, PROMESA was signed into law. 48 U.S.C. § 2101 et seq. It created Title III to allow the territory access to bankruptcy relief for its instrumentalities. On July 2, 2017, the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”) initiated a Title III case for PREPA. On December 16, 2022, the Oversight Board filed the *Title III Plan of Adjustment of the Puerto Rico Electric Power Authority*. On February 9, 2022, the Oversight Board filed the *First Amended Title III Plan of Adjustment of The Puerto Rico Electric Power Authority*. The current version of the Plan of Adjustment was filed

on March 1, 2023 (THIS DATE CAN CHANGE IF THE OVERSIGHT BOARD FILES AN AMENDED PLAN OF ADJUSTMENT).

LEGAL ARGUMENT

7. Section 314 of PROMESA has the requirements for the confirmation of a Plan of Adjustment. 48 U.S.C. § 2174(b).

The Title III court shall confirm a plan of adjustment so long as certain requirements are met, including that: the debtor is not prohibited by law from taking any action necessary to carry out the plan; . . . any legislative, regulatory, or electoral approval necessary under applicable law in order to carry out any provision of the plan has been obtained, or such provision is expressly conditioned on such approval; . . . [and] the plan is feasible. Fin. Oversight & Mgmt. Bd. for P.R. v. Federacion de Maestros de P.R., Inc. (In re Fin. Oversight & Mgmt. Bd. for P.R.), 32 F.4th 67, 76 (1st Cir. 2022)(citation omitted).

8. “Under PROMESA, a plan of adjustment must be supported by financial projections that are ‘reasonable and demonstrate a probability that the debtor will be able to satisfy its obligations under the Plan.’” In re Fin. Oversight & Mgmt. Bd., 637 B.R. 223, 302-03 (D.P.R. 2022).
9. This means asking: “Is it likely that the debtor, after the confirmation of the Plan of Adjustment, will be able to sustainably provide basic municipal services to the citizens of the debtor and to meet the obligations contemplated in the Plan without the significant probability of a default?” Id.
10. The Plan of Adjustment will affect Puerto Rico’s economy and ratepayers, such as **[PARTY NAME]**. Therefore, PREPA will not be able to generate enough revenue and comply with its obligations to creditors or to the people of Puerto Rico. Because of this, the Plan of Adjustment is not feasible.

CONCLUSION

11. In conclusion, this Court should not confirm the Plan of Adjustment because it does not meet the requirements under PROMESA. Additionally, the confirmation of the Plan of Adjustment would cause great prejudice to the appearing party and the people of Puerto Rico.

12. PREPA's restructuring is very important, because electric power is necessary both for consumers and businesses alike. It is the driving force of Puerto Rico's economy. If PREPA's restructuring becomes too burdensome on the people and businesses of Puerto Rico, it will affect any possibility of economic growth and development.

RELIEF REQUESTED

WHEREFORE, the appearing party respectfully requests that the Court take notice of the above stated and deny the confirmation of the Plan of Adjustment.

WE HEREBY CERTIFY that on this same date delivered the instant motion to the United States District Court Clerk's Office for filing and/or delivery to the presiding judge and to the parties to this case.

Filed in San Juan, this 06/06/2023.



Lourdes M. Rivera Gómez
Secretary IPW
Urb. Santa Rosa Calle 26 BLQ 33
#23 Bayamón PR 00960
(939) 337-3300